

Dexia

July 7, 2026

This report does not constitute a rating action.

Ratings Score Snapshot

SACP: b+

Anchor	bbb-	
Business position	Moderate	-1
Capital and earnings	Adequate	0
Risk position	Constrained	-2
Funding	Adequate	-1
Liquidity	Moderate	
CRA adjustment	0	

Support: +4

ALAC support	0
GRE support	4
Group support	0
Sovereign support	0

Additional factors: 0

Issuer credit rating
BBB-/Stable/A-3

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths

A government-related entity (GRE) with a very high likelihood of receiving extraordinary support from Belgium and France.

State ownership and state-guaranteed funding for a substantial amount.

Proactive management and effective execution of its orderly wind-down plan.

Key risks

Operational stability and creditworthiness fundamentally tied to the support of the Belgian and French governments.

Wholesale funding structure contingent on capital markets' appetite for government-guaranteed debt.

Loss-making entity over the long term with a balance sheet characterized by specific concentrations that make it vulnerable to economic volatility.

Our ratings on Dexia reflect our consolidated analysis of the Dexia group. This analysis includes our assessment of Dexia's core status within the group, where it serves as the primary operating company. As of Dec. 31, 2025, Dexia accounted for about 98% of the group's assets.

Primary Contact

Francois Moneger
Paris
33-14-420-6688
francois.moneger
@spglobal.com

Secondary Contact

Nicolas Malaterre
Paris
33-14-420-7324
nicolas.malaterre
@spglobal.com

Research Contributor

Harshit Thakkar
CRISIL Global Analytical Center,
an S&P Global Ratings affiliate
Pune

Our assessment of the Dexia group's stand-alone creditworthiness begins with a 'bbb-' anchor.

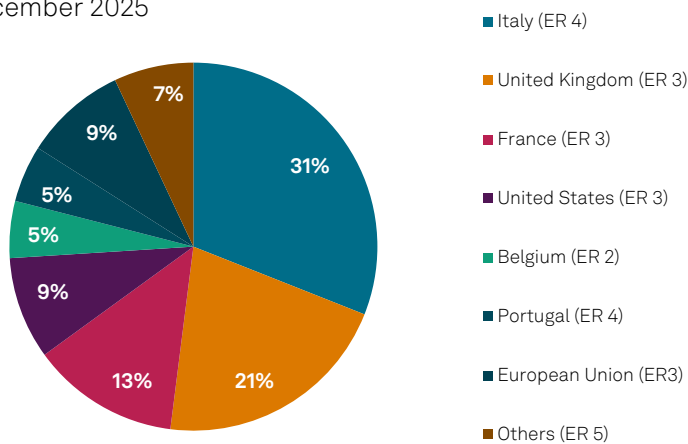
Given the lack of a banking license since its withdrawal in 2024, we base our rating on our anchor for French non-bank financial institutions (NBFIs). We believe Dexia has distinct characteristics that differentiate it from most NBFIs. It is not subject to prudential regulatory requirements and can no longer access central bank liquidity. However, Dexia remains a GRE in run-off and benefits from favorable funding conditions for a NBFI, through its government-guaranteed issue program, and is overseen by an independent surveillance committee appointed by the two governments, replacing the previous banking regulatory framework. Moreover, unlike most NBFIs, Dexia does not face competitive pressures. Consequently, we apply our 'bbb-' anchor, which is two notches below our 'bbb+' bank anchor.

To determine a bank anchor, we employ our banking industry country risk assessment methodology, along with our economic risk and industry scores. We evaluate economic risk based on our calculation of a bank's weighted-average credit exposures across the countries and regions where it operates (see chart 1). The weighted-average economic risk score for the Dexia group is 3.4 on a scale of '1' to '10' (with '1' representing the lowest risk and '10' the highest). Our industry risk score is '4', reflecting that Dexia is domiciled in France.

Chart 1

Dexia's credit risk exposure by country

As of December 2025



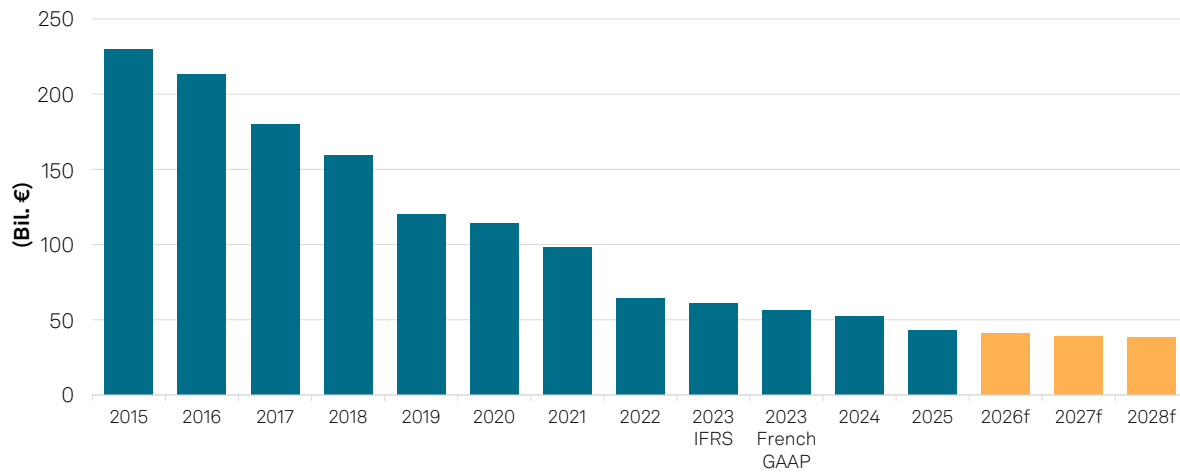
ER--Economic Risk. Source: S&P Global Ratings.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

We anticipate Dexia will continue to proactively manage its wind down and further deleverage its balance sheet.

Dexia actively manages its balance sheet by executing its deleveraging plans. In 2025, the commercial asset portfolio experienced a reduction of €3.2 billion (or above 12%) versus 2024, helped by favorable market conditions, including higher interest rates. This included the €2.1 billion that Dexia reduced through asset disposals and early repayments (94% related to loans and 6% to bonds), and the €1.1 billion it wound down through natural amortization. In early 2026, Dexia continued its deleveraging efforts through additional asset disposals. Over the past 10 years, Dexia has reduced its balance sheet by 81%, to €43.4 billion in December 2025 (under the French generally accepted accounting principles [GAAP]) from €230 billion in 2015 (under International Financial Reporting Standards). As part of its orderly resolution plan, Dexia aims to further shrink its total assets over the next three years (see chart 2). The deleveraging strategy will primarily rely on scheduled amortization of the portfolio, asset sales aimed at optimizing their value within an annual budget, and a reduction in cash collateral.

Dexia continues to reduce its balance sheet through proactive management



French GAAP--French General Accepted Accounting Principles, IFRS--International Financial Reporting Standards. Source: S&P Global Ratings. Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

We expect Dexia to continue simplifying its operating model so it can adapt to its smaller asset base and improve its cost trajectory.

In 2025, Dexia's operating expenses increased by €21 million, to €260 million. This rise was primarily attributable to compensation provisions related to the departure of employees in support functions, following the outsourcing of these roles as part of the overhaul of Dexia's operating model. To further streamline operations, Dexia outsourced some back-office functions to third-party providers. This helps the company optimize its cost structure and make it more flexible. We anticipate Dexia will prudently manage the transition to the new operating model. A streamlined operating model and the simplification of its exposures as a result of deleveraging--which reduces the number of lines and counterparties--will improve Dexia's cost base and core profitability (excluding non-recurring items) over time. In 2026, Dexia launched its Additional Deleveraging Plan, which will provide flexibility to seize opportunities to further simplify, derisk and reduce the remaining portfolio. Dexia also continues to execute its Maturity Reduction Plan, which is focused on long-dated assets, with the aim of reducing the maturity of the balance sheet. We therefore anticipate that non-recurring items associated with the ongoing transformation of its operating model and its deleveraging efforts will continue to weigh significantly on net income.

We anticipate that Dexia will remain adequately capitalized but earnings buffer remains on the negative side.

Our assessment of Dexia's capitalization as adequate factors in our expectation that our risk-adjusted capital (RAC) ratio will decline to 10.5%-11.0% by 2028. It also reflects our view that, with Dexia being in a run-off, active deleveraging can lead to volatile results and periods of unexpectedly significant losses. Additionally, operational flexibility will depend on Dexia's ability to adapt operating costs and decrease the breakeven point in line with the steady reduction of the balance sheet and narrowing span of deleveraging. We estimated the RAC ratio at 14.5% at end-2025, supported by strong deleveraging during the year, but we expect it will steadily decline as we project annual net losses will be hovering at broadly €250 million until 2028. We believe that in the coming years, the impact from cumulated losses on capitalization will outpace that of reductions in the balance sheet.

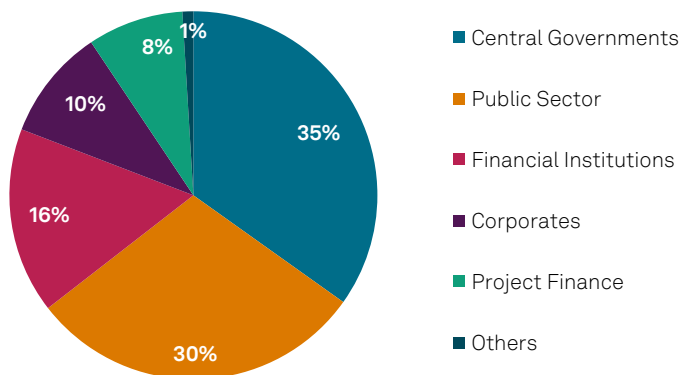
Dexia’s risk profile remains a weakness, characterized by significant single-name concentration and sensitivity to deterioration in economic conditions. We continue to assess Dexia’s risk position as weaker than that of most European banks. The risk profile reflects its historical role as a leader in public financing and a long-term investor in credit-spread securities portfolios. This has resulted in Dexia’s complex balance sheet and the predominance of mostly unsecured exposures with very long maturities, which are highly sensitive to adverse economic conditions. As of Dec. 31, 2025, credit risk exposure amounted to €35.7 billion, with 31% in loans and 62% in bonds. Dexia’s exposures predominantly stem from the public sector and central governments. Our evaluation also considers significant single-name concentration, which remains relatively high given Dexia’s net loss position and capitalization--the 20 largest exposures account for about 61% of its total exposures at default (EAD).

We continue to see some risk areas, particularly in exposures to the utilities sector in the U.K. However, we view positively Dexia’s substantial efforts over the years to reduce the complexity of its balance sheet, including the disposal of risky assets. According to Dexia’s internal system, about 91% of its credit risk exposures are classified as investment grade. We believe the cost of risk will average 10 basis points of customer loans over the next three years. Dexia’s nonperforming loans represented about 3.2% of total customer loans as of Dec. 31, 2025 and were adequately covered by reserves, by our estimates.

Chart 3

Breakdown of Dexia’s credit risk exposures

As of December 2025



Source: S&P Global Ratings.

Copyright © 2026 by Standard & Poor’s Financial Services LLC. All rights reserved.

Dexia maintains a robust risk management and risk appetite framework since its debanking.

Despite the absence of banking regulation, Dexia continues to have a prudent framework ensuring close monitoring of risks, governance, and the alignment of strategic decisions with its orderly run-off strategy--particularly concerning solvency, liquidity, and asset-liability management. An independent surveillance committee has been established in place of the previous banking supervision mechanism. The committee, comprising four members appointed equally by Belgium and France, is responsible for assessing governance suitability and monitoring risk. This governance structure ensures Dexia continues to adhere to sound risk management practices.

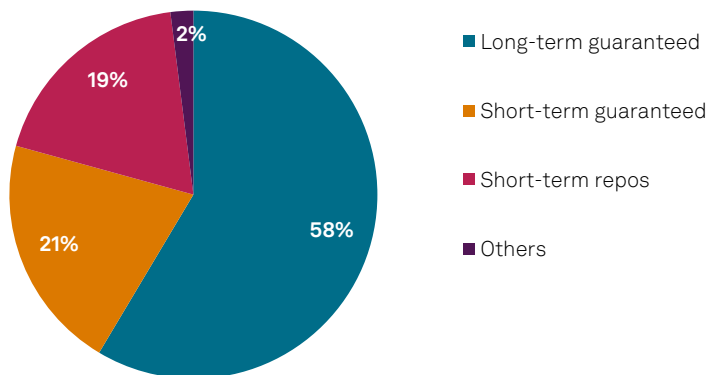
We expect Dexia's funding and liquidity profile to remain weaker than many European peers' given its reliance on investor appetite for government-guaranteed debt. This reflects the lack of a deposit base and the loss of access to wholesale non-guaranteed and unsecured funding markets. Consequently, Dexia's dependence on confidence-sensitive market funding and investor appetite for government-guaranteed debt is a key risk, in our view. The funding guarantee provided by the French and Belgian states was extended by an additional 10 years in 2022, with a ceiling of €75 billion. Dexia is only partially utilizing it due to reduced funding needs as its balance sheet shrinks. At year-end-2025, Dexia's guaranteed funding totaled €24.6 billion, while secured market funding was €5.8 billion. We expect state-guaranteed funding to remain 75%-85% of Dexia's outstanding financing. Dexia's funding comprises a significant share of short-term instruments (see chart 4). This results in a low S&P Global Ratings-adjusted stable funding ratio of 67% and a broad liquid assets to short-term wholesale funding ratio of 0.7x at year-end 2025. As of Dec. 31, 2025, Dexia group's liquidity buffer totaled €10.1 billion, representing more than 23% of its total assets. Dexia also monitors its liquidity through a survival horizon indicator (reflecting how long Dexia can continue to operate without access to funding markets), which stood at 386 days at end-2025.

The loss of access to central bank facilities during periods of stress following its debanking has weakened Dexia's contingent liquidity framework. However, the maintenance of high-quality liquid assets qualifying as level 1 for its guaranteed debt supports funding from its current investor base, especially compared with entities operating outside a regulated framework.

Chart 4

Dexia's funding base is skewed toward state-guaranteed debt

As of December 2025



Source: S&P Global Ratings.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

We believe Dexia has a very high likelihood of receiving extraordinary government support in times of stress. Our 'BBB-' rating is four notches higher than our assessment of Dexia group's stand-alone credit profile. This rating reflects our view that Dexia is a GRE engaged in an orderly run-off, and we anticipate that it would receive significant extraordinary support from the French and Belgian governments if needed. The loss of its banking license, alongside the implementation of a new governance and risk management framework, enhance Dexia's importance for its shareholders. Both governments have now assumed the role of the ultimate and sole supervising entities tasked with ensuring effective governance and a controlled wind down of the entity, while minimizing potential losses to taxpayers, in our view.

Dexia

Dexia continues to benefit from a state funding guarantee, which was renewed for 10 years in 2022. We equalize our ratings on Dexia's guaranteed programs with those assigned to the French sovereign (France is currently rated lower than Belgium), based on the understanding that payments would be organized by the guarantor, possibly directly through Dexia, within the grace period following any such guaranteed debt maturity date. We expect that Dexia will continue to rely mostly on short- and long-term government-guaranteed funding, which represented €24.6 billion as of year-end 2025, or 79% of its total financing base, with the rest comprising €5.8 billion in short-term secured funding (repos). While its funding needs are decreasing due to balance sheet deleveraging and lower posted cash collateral, we view this reliance on investor appetite for state-guaranteed funding as an ongoing source of risk.

Outlook

The stable outlook reflects our expectation that Dexia will implement an orderly wind down of its operations and will continue to benefit from very strong commitments from the Belgian and French governments over the next two years. We already factor in that although Dexia will be loss-making for several years, its capitalization will adequately cover risks as deleveraging continues.

A downgrade of Belgium or France would not, on its own, lead us to lower our issuer credit rating on Dexia. However, a downgrade of France would affect the issue ratings assigned to Dexia's guaranteed debt, as these ratings are equalized with the lowest rating among its guarantors, which is currently France (A+/Stable/A-1).

Downside scenario

We may lower the ratings on Dexia if, contrary to our expectations, it fails to maintain sufficient access to market funding to implement its wind-down plan. We could also lower our ratings if the likelihood of government support diminishes, or if there are material delays in Dexia's deleveraging plan that weaken its results and solvency beyond our expectations.

Upside scenario

We are unlikely to upgrade Dexia over the next two years.

Key Statistics

Dexia Key Figures

Mil. EUR	2025	2024	2023	2022	2021
Adjusted assets	43,361	52,412	60,039	64,284	98,643
Customer loans (gross)	9,368	12,987	19,721	21,516	24,690
Adjusted common equity	2,081	1,970	2,089	2,594	3,709
Operating revenues	136	0	78	343	(130)
Noninterest expenses	277	239	384	309	298

EUR--euro.

Dexia

Dexia Business Position

(%)	2025	2024	2023	2022	2021
Total revenues from business line (currency in millions)	145	35	80	343	(99)
Return on average common equity	(3.5)	(5.7)	(5.1)	0.1	(5.1)

Dexia Capital And Earnings

(%)	2025	2024	2023	2022	2021
Tier 1 capital ratio	--	--	34.5	40.4	31.2
S&P Global Ratings' RAC ratio before diversification	14.5	10.0	N/A	N/A	N/A
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	2.9	N.M.	164.1	13.7	(28.5)
Fee income/operating revenues	(2.2)	N.M.	(5.1)	(3.2)	7.7
Market-sensitive income/operating revenues	93.4	N.M.	(76.9)	86.9	102.3
Cost to income ratio	203.7	N.M.	492.3	90.1	(229.2)
Provision operating income/average assets	(0.3)	(0.4)	(0.5)	0.0	(0.4)

N.M.--Not meaningful.

Dexia Risk Position

(%)	2025	2024	2023	2022	2021
Growth in customer loans	(27.9)	(34.2)	(8.3)	(12.9)	(11.1)
Total managed assets/adjusted common equity (x)	20.8	26.6	28.8	24.8	26.6
New loan loss provisions/average customer loans	0.0	0.4	0.0	0.0	(0.4)
Gross nonperforming assets/customer loans + other real estate owned	3.2	2.5	1.3	1.6	1.6
Loan loss reserves/gross nonperforming assets	53.8	53.5	43.7	41.1	45.1

N.M.--Not meaningful.

Dexia Funding And Liquidity

(%)	2025	2024	2023	2022	2021
Customer loans (net)/customer deposits	1,342.0	1,771.9	5,925.4	3,452.5	4,384.1
Long-term funding ratio	50.7	48.7	45.4	59.1	57.6
Stable funding ratio	67.1	61.5	52.4	68.6	65.7
Short-term wholesale funding/funding base	54.8	56.1	61.6	46.9	46.6
Broad liquid assets/short-term wholesale funding (x)	0.7	0.6	0.6	0.8	0.9
Broad liquid assets/total assets	31.2	27.6	25.6	26.2	28.9
Short-term wholesale funding/total wholesale funding	56.0	57.1	62.0	47.6	47.0
Narrow liquid assets/3-month wholesale funding (x)	2.1	1.6	1.6	2.3	2.2

Dexia

Rating Component Scores

Issuer Credit Rating	BBB-/Stable/A-3
SACP	b+
Anchor	bbb-
Business position	Moderate (-1)
Capital and earnings	Adequate (0)
Risk position	Constrained (-2)
Funding and liquidity	Adequate and Moderate (-1)
Comparable ratings analysis	0
Support	4
ALAC support	0
GRE support	4
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), May 5, 2026
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Guarantee Criteria](#), Oct. 21, 2016
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Dexia's Credit Quality Is Unchanged After France Sovereign Downgrade](#), Oct. 21, 2025
- [Dexia 'BBB-/A-3' Ratings Affirmed On Steady Asset Runoff; Outlook Stable](#), Sept. 12, 2025

Dexia

Ratings Detail (as of July 07, 2026)*

Dexia

Issuer Credit Rating	BBB-/Stable/A-3
Junior Subordinated	D
Senior Unsecured	A+
Senior Unsecured	BBB-

Issuer Credit Ratings History

02-Jan-2024	<i>Foreign Currency</i>	BBB-/Stable/A-3
07-Jul-2023		BBB-/Watch Neg/A-2
25-Jan-2013		BBB-/Stable/A-2
02-Jan-2024	<i>Local Currency</i>	BBB-/Stable/A-3
02-Jan-2024		BBB-/Watch Neg/A-2
07-Jul-2023		BBB-/Watch Neg/A-2

Sovereign Rating

France	A+/Stable/A-1
--------	---------------

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.